

February 12, 2013

The Honorable Terry E. Branstad  
Office of the Governor  
State Capitol Building  
Des Moines, Iowa 50319

Michael E. Marshall  
Secretary of the Senate  
State Capitol Building  
Des Moines, Iowa 50319

Carmine Boal  
Chief Clerk of the House  
State Capitol Building  
Des Moines, Iowa 50319

**RE:** FY 2012 Annual Urban Renewal Report - Tax Increment Financing (TIF)

Pursuant to [Iowa Code section 331.403\(3\)\(d\)](#), the Legislative Services Agency (LSA) respectfully submits the attached report titled **FY 2012 Annual Urban Renewal Report - Tax Increment Financing (TIF)** to the Governor and the General Assembly. The report was prepared in consultation with Department of Management (DOM) and summarizes the tax increment financing reports submitted by local governments on urban renewal areas in effect at any time during FY 2012.

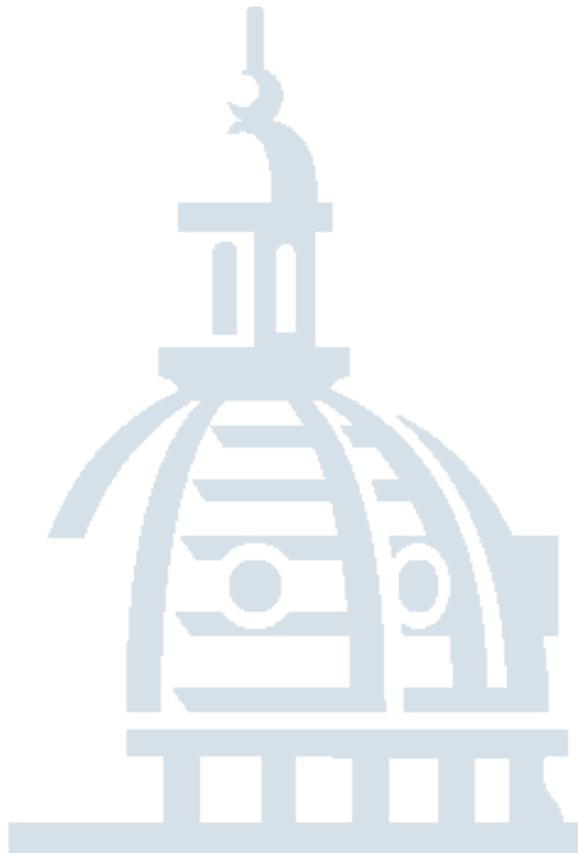
[Iowa Code section 331.403\(3\)\(c\)](#) also required that the DOM, in collaboration with the LSA, make publicly available on an internet site by December 1, 2012, a searchable database of all such information required under [Iowa Code section 331.403](#). This was completed and the website address is: <https://solr.legis.iowa.gov/tif/la>.

Sincerely,



Glen Dickinson  
Director

**FY 2012 ANNUAL URBAN RENEWAL REPORT  
TAX INCREMENT FINANCING (TIF)**



**FISCAL SERVICES DIVISION**

**FEBRUARY 12, 2013**



**LEGISLATIVE  
SERVICES AGENCY**

*Serving the Iowa Legislature*



## Introduction

[House File 2460](#) (Tax Increment Finance Reporting Act of 2012) established new Urban Renewal and Tax Increment Financing (TIF) reporting requirements for counties, cities, and Rural Improvement Zones with Urban Renewal Areas in place during FY 2012.

Tax Increment Financing is a financing mechanism for Urban Renewal. It involves dividing the property taxes paid from property within a designated area between the traditional taxing authorities (counties, cities, schools, *etc.*) and the taxing authority that created the TIF area.

The reporting requirements generally relate to the property tax implications of TIF: information on the amount of property tax revenue diverted to TIF in FY 2012, rebates paid with TIF funds in FY 2012 and planned for future fiscal years, debt to be repaid with future TIF revenue, and TIF Special Revenue Fund income, expenses, and balances. The requirements also include reporting on characteristics of each TIF and Urban Renewal Area, low and moderate income housing requirements, and data on development agreements that include job requirements and TIF expenditures. In addition, local governments were required to provide copies of maps, ordinances, and adopted plans in place for each Urban Renewal Area.

Reporting was required to be submitted electronically pursuant to instructions prescribed by the Department of Management (DOM) in consultation with the Legislative Services Agency (LSA). [House File 2460](#) further requires that the LSA, in consultation with the DOM, deliver an annual report to the Governor and the General Assembly summarizing and analyzing the information submitted in the local government reports. This document serves as the required annual report. **Appendix A** to this document provides basic information on TIF and a brief history of TIF reporting requirements.

The website for local government data entry, as well as for public access to the data, is found at: <https://solr.legis.iowa.gov/tif/la> See **Appendix B** for a screen shot of the Urban Renewal reporting and public access website.

## Local Government Responses

For FY 2012, 464 cities, counties, and Rural Improvement Zones had a total of 1,011 Urban Renewal Areas on file with the DOM.<sup>1</sup> A total of 45 local governments with 88 Urban Renewal Areas did not complete the reporting requirements. While reporting was required by law for FY 2012, the law did not provide a penalty for nonfiling the first year. Beginning with the FY 2013 report, local governments with Urban Renewal Areas will not be allowed to certify their FY 2015 budgets without first completing the FY 2013 Urban Renewal Report. A list of the local governments that had not filed approved reports as of January 28, 2013, is included as **Appendix C**.

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<sup>1</sup> Although the reporting requirements center on the financial implications of TIF, Urban Renewal Areas that do not utilize TIF may also be subject to the reporting requirements. Nine counties and 26 cities reported a total of 55 additional existing Urban Renewal Areas that do not utilize TIF through paper submissions to the DOM.

## Financial Summary

Local governments were asked to report FY 2012 revenue, expenditure, and balance information for all Urban Renewal Areas. For each local government, the amounts for all areas should sum to the revenue, expenditure, and balances of that local government's TIF Special Revenue Fund. **Table 1** presents the sum total of all Urban Renewal Areas for all local governments reporting.

	Dollars
Beginning Balance	\$ 105.4
TIF Revenue	270.5
Interest	6.6
Asset Sales/Repayments	19.8
<b>Total Revenue</b>	<b>296.9</b>
Rebates	61.0
Expenditures	228.0
Returned to Prop. Tax System	0.1
<b>Total Expenditures</b>	<b>289.1</b>
Ending Balance	\$ 113.2

## Debt

The survey of local governments required information on all outstanding debts at the beginning of FY 2012 that were to be paid in FY 2012 and future fiscal years with TIF property tax revenue. Local governments reported a total of 2,720 debts outstanding (excludes any debts where the amount was reported as zero) totaling \$2,830.3 million. Some entities reported debt repayments extending more than 20 years. Just over 52.0% of the debt repayment amounts extend to FY 2023 and after. **Table 2** provides a breakdown of the total debt reported by all local governments.

Fiscal Year of Final Debt Payment	Millions of Dollars	% of Total
FY 2012	\$ 192.4	6.8%
FY 2013 - FY 2017	394.2	13.9%
FY 2018 - FY 2022	752.3	26.6%
FY 2023 - FY 2027	732.5	25.9%
FY 2028 - FY 2032	438.9	15.5%
FY 2033 & After	320.0	11.3%
	<b>\$ 2,830.3</b>	<b>100.0%</b>

As a point of reference, with TIF debt reported by the local governments at \$2,830.3 million, and FY 2012 TIF revenue reported by those same governments at \$270.5 million, retiring the existing debt will take 9.5 years past FY 2012.<sup>2</sup>

TIF debt was reported in five categories (see **Table 3**):

- General Obligation Bonds – Bonds that are the obligation of the local government. These bonds are backed by an unlimited property tax authority.
- TIF Revenue Bonds – Bonds that are the obligation of the local government, but are only repayable from the specific TIF revenue pledged to the bonds. If the revenue from TIF is insufficient, the debt may not be fully repaid.
- Internal Loans – Money owed to one of the funds of the local government itself. Generally, the debt is created when the local government pays a TIF expenditure from existing funds and the debt is retired when TIF funds are transferred to reimburse the original funding source.
- Other Debt – Generally nonbond debt owed to other private entities, such as bank loans.
- Rebates – Debt that is owed as part of a property tax rebate or development agreement between the local government and property owners. For the purposes of the Annual Urban Renewal Report, the local governments were required to report all agreements with the assumption that all future rebate payments will be made. For instances where the value of the rebate for future years is not known, best estimates are used.

<u>Debt Reported, \$</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u>	<u>% of Total</u>
General Obligation Bonds	\$ 1,311.5	\$ 296.9	\$ 1,608.4	56.9%
Internal Loans	116.7	3.0	119.6	4.2%
Other Debt	129.0	46.9	175.9	6.2%
Rebates	497.9	3.0	500.9	17.7%
TIF Revenue Bonds	230.6	194.8	425.5	15.0%
<b>Total</b>	<b>\$ 2,285.7</b>	<b>\$ 544.6</b>	<b>\$ 2,830.3</b>	<b>100.0%</b>

As indicated in **Table 4**, 35.2% of TIF debt statewide is reported as annual appropriation debt. Local governments are required to report annual appropriation debt with the assumption that all annual payments will be made by future Boards and Councils.

Annual appropriation debt differs from ordinary indebtedness. While ordinary indebtedness requires the periodic repayment of all principal and interest from the funds pledged, annual appropriation debt documents specifically state that the local government

<sup>2</sup> The 9.5 years to retire the existing TIF debt is simply a reference calculation. Much of the debt extends beyond that timeframe, and in future years new debt will be added and the TIF revenue stream will change from year to year.

reserves the right to not appropriate funds to make one or more debt payments. The documents that create the debt do not give the debt holder recourse to demand payment should the nonappropriation right be exercised. Payments are at the sole discretion of the Board or Council.

The issuance of annual appropriation debt varies considerably with the debt type. While 57.0% of TIF revenue bond, rebate, and other debt has been issued as annual appropriation debt, only 22.0% of all General Obligation and internal loan debt was issued in this manner.

Type of Debt	Principal	Interest	Debt	% of Total
Not Annual Appropriation Debt	\$ 1,511.8	\$ 323.2	\$ 1,835.0	64.8%
Annual Appropriation Debt	773.9	221.4	995.3	35.2%
Grand Total	\$ 2,285.7	\$ 544.6	\$ 2,830.3	100.0%

A total of 372 local governments reported 2,720 debt instances. The 10 local governments with the largest dollar amount of TIF debt are listed in **Table 5**, along with the final fiscal year for their longest debt schedule.

Local Government	Conventional Debt	Annual Appropriation Debt	Total Debt	Latest Repayment Date Reported
Des Moines	\$ 167.8	\$ 117.7	\$ 285.5	FY 2031
Coralville	74.8	210.2	285.0	FY 2036
Altoona	51.2	142.0	193.2	FY 2043
Dubuque	140.2	15.7	155.9	FY 2045
Cedar Rapids	147.3	0.0	147.3	FY 2042
Sioux City	90.3	0.0	90.3	FY 2032
West Des Moines	64.4	4.5	68.8	FY 2029
Ankeny	56.0	0.0	56.0	FY 2028
Clayton County	54.3	0.2	54.5	FY 2027
Le Claire	10.2	36.8	47.0	FY 2030

### **Bond Debt**

Local governments reported 1,111 separate General Obligation and TIF Revenue Bond debts with debt payments totaling \$2,034 million and the longest payment schedule extending through FY 2043. One-half of bond debt reported has payment schedules extending to FY 2024 and beyond. The largest single bond debt listed was by the city of

Altoona for \$134.5 million. This debt was listed as an annual appropriation TIF Revenue Bond with payments due through FY 2043.

### **Internal Loan Debt**

Local governments reported 554 internal loan debts totaling \$119.6 million with 11 loans extending past FY 2040. The largest single loan was reported by the city of Cedar Falls. That internal loan repayment schedule totaled \$14.0 million with payments scheduled through FY 2015. One-half of internal loan debt has payment schedules extending to FY 2016 and beyond.

### **Other Debt**

Local governments reported 193 debts categorized as “other” and with future debt payments totaling \$175.9 million. The largest single loan in this category is a \$70.3 million debt listed by the city of Coralville.

### **Rebate Debt**

Local governments reported 862 separate rebate agreements with rebate debt outstanding. The rebate debt totaled \$500.9 million, with the longest rebate agreement extending through FY 2033. One-half of the rebate agreement debt extends past FY 2022. The largest rebate agreement (\$27.4 million) is between the city of Des Moines and Allied Insurance. The agreement extends through FY 2031.

## **FY 2012 Rebate Expenditures**

Local governments reported \$60.9 million in rebate payments issued from TIF revenue to taxpayers during FY 2012. A total of 19 cities issued just under 70.0% of the FY 2012 rebated tax dollars. The list of local governments rebating \$750,000 or more is found in **Table 6**. The list contains several of Iowa’s largest cities. The city of Des Moines rebated \$10.3 million, 16.9% of the State total.

**Table 7** provides a list of companies and entities receiving \$750,000 or more in TIF-financed property tax rebates in FY 2012 as reported by the local governments. There were 862 rebate agreements in FY 2012 with the largest, \$2.66 million, rebated to Nationwide Insurance through two agreements with the city of Des Moines. Polk County and four cities, (Des Moines, Council Bluffs, Grinnell, and Davenport) appear on the list as tax rebate recipients.

**Table 6**  
**FY 2012 Rebate Totals By Local Government**

Dollars in millions

Local Government Name	FY 2012	
	Rebate Amount Reported	% of Total
Des Moines	\$ 10.3	16.9%
Council Bluffs	5.0	8.2%
Dubuque	3.7	6.1%
Waterloo	2.2	3.6%
Clive	2.2	3.6%
Urbandale	1.8	3.0%
Cedar Rapids	1.8	3.0%
Newton	1.8	3.0%
Clinton	1.8	3.0%
Altoona	1.6	2.6%
Le Claire	1.5	2.5%
Ankeny	1.4	2.3%
Johnston	1.3	2.1%
Coralville	1.0	1.6%
Davenport	0.9	1.5%
Huxley	0.9	1.5%
Bettendorf	0.8	1.3%
Polk County	0.8	1.3%
Indianola	0.8	1.3%
<u>179 Other Local Governments</u>	<u>19.3</u>	<u>31.7%</u>
	\$ 60.9	100.0%

**Table 7**  
**FY 2012 Rebates by Company**

Dollars in millions

Rebated To:	FY 2012	
	Rebate Amount Reported	% of Total
Nationwide Mutual Insurance Company	\$ 2.7	4.4%
City of Council Bluffs	2.1	3.4%
City of Des Moines	1.7	2.8%
US Motorsports	1.7	2.8%
Davis Brown	1.2	2.0%
Citizen's First Bank c/o Valley Bluff	1.2	2.0%
KIMCO Metro Crossing LP	1.0	1.6%
R&R Realty Group	0.9	1.5%
Deere Credit Services Inc.	0.9	1.5%
Life Investors Insurance Company of America	0.9	1.5%
Bass Pro Trustee	0.8	1.3%
Big Creek Development	0.8	1.3%
818 Other Rebates	<u>45.0</u>	<u>73.9%</u>
	\$ 60.9	100.0%

## Nonrebate Projects

Local governments reported a total of 2,425 nonrebate projects financed through TIF. The FY 2012 report did not require expenditures to be associated with any project that was not a rebate, so the amount of TIF expenditures associated with a specific project or type of project cannot be analyzed in this initial report. Expenditures by project will be required for all future years.

Local governments were required to categorize projects according to the expenditure type and also specify whether the project was physically complete by the end of FY 2012.

**Table 8** shows that the category of Roads, Bridges, and Utilities represents more than one-third of all projects, with projects related to industrial and manufacturing representing more than 10.0% of all projects.

Number of TIF Projects by Type	Ongoing	Complete	Total	% of Total
None Listed	0	8	8	0%
Acquisition of Property	8	91	99	3%
Administrative Expenses	18	87	105	3%
Agribusiness	5	37	42	1%
Commercial - Apartments/Condos/Residential	2	43	45	1%
Commercial - Hotels/Conference Centers	3	35	38	1%
Commercial - Office Properties	26	156	182	6%
Commercial - Retail	31	231	262	8%
Commercial - Warehouses & Distribution	34	134	168	5%
Commercial - Medical	1	37	38	1%
Industrial/Manufacturing	35	318	353	11%
Lake & Related Improvements (RIZ)	7	15	22	1%
Low & Moderate Income Housing	18	26	44	1%
Main Street Iowa Program	6	6	12	0%
Mixed Use Property	12	47	59	2%
Municipal/Public-Owned Buildings	36	144	180	5%
Recreational Facilities	17	112	129	4%
Residential	36	182	218	7%
Roads, Bridges & Utilities	228	981	1,209	37%
Water/Waste Treatment Plants	13	81	94	3%
<b>Total</b>	<b>536</b>	<b>2,771</b>	<b>3,307</b>	<b>100%</b>

## Low and Moderate Income (LMI) Housing

Iowa's TIF enabling legislation requires that local governments providing TIF-financed public improvements related to housing or residential development also expend funds assisting LMI housing. The LMI housing requirement is a percentage of TIF expenditures equal to the countywide percentage of that population that falls into the LMI category. The specified percent varies depending on the population of the municipality. Municipalities with a population of 5,000 or less may not require any set aside, while

municipalities with a population exceeding 15,000 require at least 10.0% and often higher. The TIF report project asked local governments to report:

- The FY 2012 expenditures for public infrastructure related to housing (expenditures that trigger the LMI Set-aside).
- The FY 2012 expenditures that satisfy FY 2012 or previous year LMI set-aside expenditure requirements.

Although the law requires LMI housing expenditures in some TIF circumstances, it does not require that the expenditures occur within the same year the requirement is triggered. Therefore, a build-up of required LMI set-aside balance may develop. Local governments were not asked to report the level of LMI set-aside expenditures that remained at the end of FY 2012.

Four counties and 42 cities reported a total of \$5.7 million in FY 2012 TIF expenditures that triggered the LMI Set-aside requirement. Three counties and 48 cities reported \$2.5 million in LMI housing expenditures for FY 2012. The largest category of expenditures (\$1.1 million) was reported as payments to a low and moderate income housing fund established by the municipality. The \$2.5 million in low and moderate income housing assistance represents 1.1% of all TIF expenditures reported by local governments in FY 2012.

## **Jobs Development Agreements**

All local governments that have entered into development agreements with TIF funding and job creation requirements were asked to report specific information related to those agreements. A total of 56 local governments reported 186 development agreements in place in FY 2012. Those agreements required a total of 24,368 jobs. Of that total, 66.2% represented the job totals for five cities (Dubuque, Coralville, Des Moines, Johnston, and Davenport).

The five largest development agreement totals by number of jobs, are as follows:

- Nationwide Insurance (3,220 jobs, Des Moines)
- Wells Fargo (2,325 jobs, Des Moines and Clive)
- Whirlpool (1,600 jobs, Iowa County)
- Wellmark (1,570 jobs, Des Moines)

The reporting requirements also include statistics related to the annual total salary required and public and private capital investment involved in the project. However, while all but one project contained an entry for the number of jobs associated with the project, many did not report wage and capital investment information.

In addition, the report allowed for the reporting of other governmental financial incentive programs that also assisted in financing the project. Of the 158 development agreements listed, a total of 60 projects include at least one other state or local financial assistance program. Two projects, Nationwide Insurance in Des Moines and IBM in Dubuque recorded additional government funding from six other state, local, and federal programs.

Across all reported projects, the most popular additional programs were the Iowa Development Authority High Quality Jobs Program, community college job training through Iowa Code chapter [260E](#), the Targeted Jobs Withholding Pilot Project, local property tax abatement, and the Enterprise Zone Program. Local governments were not required to report the dollar value of assistance provided through other governmental financial assistance programs.

## TIF Taxing District Information

For the purposes of this report, a TIF Taxing District is the combination of properties that make up the base district and the increment district for a particular TIF.

The DOM dataset contains a total of 3,032 TIF Taxing Districts. The TIF reporting project dataset includes information on 2,483 TIF taxing Districts. Of the 549 districts not reported on, 244 are from 51 local governments that did not provide information on any of their TIF Taxing Districts, and 305 are from 100 local governments provided partial information on their TIF Taxing Districts. This makes a total of 151 local governments that did not provide information on all of their TIF Taxing Districts. Information requested on each TIF Taxing District includes:

- Confirmation of the TIF Base Year.
- The fiscal year TIF revenue was first received for the District.
- Whether the District is subject to a statutory end date, and if so, the fiscal year the District will end.
- Whether the District is established on a finding of slum, blight, or economic development conditions, or a combination of those conditions. A date is required for each type of affirmative finding.
- Confirmation of the Frozen Base Value for the District.
- Using the Frozen Base Value and the value of the TIF increment, the system calculates the value of any unused increment taxable value and unused increment tax dollars. Using the assessed value of the district and the Frozen Base Value, along with the value of rollbacks and military exemptions, the system calculates the maximum increment for the District. The system then subtracts the actual increment used from the maximum to determine and report if there is any unused increment value. Across all reporting local governments, the total unused increment equals \$10.1 billion of taxable value.
- The TIF property tax dollars received by the District in FY 2012.

The following statistics related to the TIF area designation are based on the 2,483 Districts that reported.

- TIF Taxing District designation:
  - Slum, Blight, or Both = 185 (7.5%)
  - Economic Development and Slum/Blighted = 305 (12.3%)
  - Economic Development Only = 1,916 (77.2%)
  - No designation entered = 77 (3.1%)

- The earliest TIF Taxing District base years are Dubuque and Carroll (1966). Waterloo and Mason City also have Districts with base years from the 1960s.
- From base year 1997 through base year 2012, 91.6% of new TIF Taxing Districts are designated economic development districts.
- A total of 58.8% of all Districts report a statutory end date. Since base year 1997, the percentage is 73.6% with required end dates.
- Of the 1,461 Districts with reported end dates, 496 (27.8%) report end dates between FY 2013 and FY 2018.
- Total FY 2012 TIF property tax revenue received = \$270.5 million. The expected FY 2012 TIF revenue for all city, county, and Rural Improvement Zone TIF Taxing Districts is \$283.1 million, making the reported number 95.6% of the expected total.

## Public Access to the Data

The electronic format chosen for the TIF reporting project is advantageous to allowing public access to the data reported by local governments.

To view and download the information, a user may use the link titled “Annual Urban Renewal Report – Public Information” on the DOM homepage or access the TIF website located at <https://solr.legis.iowa.gov/tif/la> and click on the grey box titled “Public TIF Reports Page.” See **Appendix B** for a screen shot of the Urban Renewal reporting and public access website.

From there, the website takes the user to a list of all local governments with FY 2012 Urban Renewal Areas listed in the DOM property tax system. Counties are listed first, followed by cities, and then Rural Improvement Zones. All levy authorities are listed in alphabetical order. An alphabet filter near the top provides access to local governments by the first letter of their name.

The following is the type of information available through the website:

- For each local government with an approved report, a link on the right allows access to a PDF version of their report.
- On the same line and between the name of the local government and the report name, there is a green triangle. Clicking here provides access to PDF copies of the Urban Renewal plans, maps, and ordinances provided by that local government.
- At the very top of this page are two links to Excel-based tools for data access. The left link provides a tool to compare one local government to another on significant TIF-related variables.
- The right link provides access to an Excel query tool that allows the user to search and retrieve information for a single local government or for all local governments.

## **TIF Report Project – The Plan for Next Year**

The following provides a list of the current DOM and LSA plans for developing and improving the system in preparation for the FY 2013 TIF report.

- The DOM and the LSA recognize the short timeline and steep learning curve associated with the new reporting requirements for FY 2012 and local governments will be given the opportunity to correct existing reports and finish any incomplete FY 2012 reports.
- The FY 2012 data entry system is currently scheduled to close on June 30, 2013.
- Relevant data currently in the system will be rolled forward to FY 2013.
- The DOM will coordinate with partnering organizations to build upon instructions and training for the FY 2013 report.
- The FY 2013 system will open for local governments by August 15, 2013.
- The FY 2013 report requires expenditure data by projects. The FY 2012 report did not require this detail.
- Starting FY 2013, an analysis of other financing options available for any public building financed with TIF revenue is required.
- For the FY 2013 report, the Iowa Code provides a penalty if the report is not complete and approved by the December 1, 2013, deadline. If the deadline is missed, the local government will not be able to certify their FY 2015 budget until the report is completed and approved.
- Steps will be taken to improve the look and format of the PDF output of the Annual Urban Renewal Report for FY 2013 and later.

The Urban Renewal reporting project and this annual report are the collaborative effort of the DOM and the LSA, with the assistance of the Auditor of State and many local governments.

### **STAFF CONTACTS:**

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## APPENDIX A - TIF History and Background

### Basic Urban Renewal and TIF History

- Commonly referred to by its acronym of “TIF” but officially part of Iowa’s “Urban Renewal” law, property tax TIF is simply a financing option for urban renewal activities that utilize property tax revenue to address slum and blight conditions and/or promote economic development.
- Authorization for urban renewal activities is found in Iowa Code chapter [403](#). This Chapter was enacted in 1957 (SF 184).
- Tax Increment Financing was added as a financing mechanism for Urban Renewal in 1969 (HF 562).
- Cities and counties may establish TIF areas.
- Rural Improvement Zones (Iowa Code chapter [357H](#)) – Rural Improvement Zones are an area designated by a county around a private development lake. TIF funds may be collected and utilized for development projects within the Zone.
- Three versions of Iowa tax increment financing that are not covered by the reporting requirement include:
  - Community College Job Training (Iowa Code chapter [260E](#)) – Allows a community college, in conjunction with a qualified employer, to utilize income tax withholding to finance job training for the employer.
  - Local Option Sales Tax TIF (Iowa Code section [423B.10](#)) – Allows cities to capture and utilize local option sales tax revenue for development activities within an Urban Renewal Area.
  - Targeted Jobs Withholding Tax TIF (Iowa Code section [403.19A](#)) – Allows specific cities to utilize income tax withholding from qualified jobs within an Urban Renewal Area to finance development activities.

### Basic Urban Renewal and TIF Process

- Municipalities designate a specific geographic area (or areas) as an Urban Renewal Area.
- Urban Renewal areas are designated as either “slum and/or blighted” or as “economic development.” They may also receive more than one designation.
- The municipality generally does not need the permission of the other taxing authorities in order to establish a TIF.
- A tax “base” is established for the area to account for the assessed value prior to the designation. The tax revenue from the base value remains with the traditional taxing authorities. However, under certain circumstances (usually the impact of taxable value rollbacks) the base value declines and in some instances goes to zero, leaving the traditional taxing authorities with no revenue from the entire TIF District.
- In future years, any increased assessed value above the base is referred as “increment” value. The TIF authority may access the taxes generated from the

increment value. If the TIF authority accesses the increment revenue, that revenue does not go to the traditional taxing authorities.

- Debts levies, the school Physical Plant and Equipment Levy (PPEL), and for FY 2014 and after, the Instructional Support Levy (ISL), are not included in the division of revenue.
- The TIF authority is not required to access the entire increment value.
- The increment is not limited to new construction value. The increment also includes any increased value due to revaluation of existing property, including the common impact of property value inflation.
- Once designated, the geographic area of the TIF may be amended by the municipality.
- Urban Renewal areas created prior to 1995 and any area created on a finding of slum or blight are not required to expire. Since 1995, economic development areas are limited to 20 years duration, but only if they are not also designated slum or blighted.
- Through the action of the school aid formula, TIF creates a direct impact on the State General Fund. The taxable value in TIF increment areas is not included in the school aid calculation. Therefore, the property tax portion of school finance is lower and the State General Fund portion is higher than would otherwise be the case. For FY 2012, the direct General Fund impact was an increase in the State School Aid appropriation of approximately \$49.0 million.

## Previous TIF Reporting Requirements

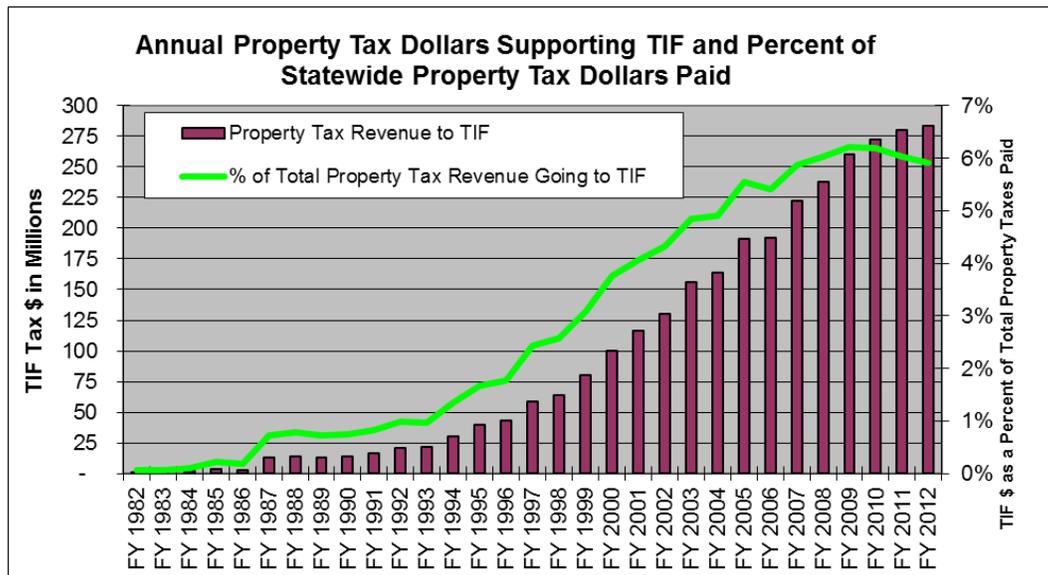
- The 1999 General Assembly (HF 776) enacted language requiring municipalities to report TIF activity annually to the State. The report included detailed information on each TIF area and the associated projects.
- In 2003, those reporting requirements were removed and replaced by a semiannual report detailing outstanding TIF obligations. Debt reports were filed in 2003 and 2005.
- In HF 2777 the 2006 General Assembly enacted language requiring more detailed accounting of TIF revenue and expenditures. The report was made part of the budget documents and budget process.
- In [HF 2460](#), the 2012 Legislature replaced the budget process reporting with the required reporting that is the subject of this annual report.
- Previous LSA Issue Reviews on the topic of TIF Include:
  - [2006 TIF Debt Report](#)
  - [2003 City TIF Report](#)
  - [2003 County TIF Report](#)
  - [1997 TIF Report](#)
  - [1993 TIF Report](#)

### FY 2012 TIF Statistics<sup>3</sup>

- For FY 2012, there were 2,238 active TIF areas in Iowa (they have either a base value, increment value, or both).
- Of these, 1,582 generated TIF revenue in FY 2012. The largest generated \$7.5 million in increment revenue.
- Of the 1,582 revenue-generating districts, 297 had no base value. Those 297 TIF Taxing Districts without any base value generated \$29.2 million in TIF property tax revenue, 10.3% of total TIF revenue for FY 2012.
- A total of 402 local governments<sup>4</sup> received TIF revenue in FY 2012, including:
  - 349 cities
  - 47 counties
  - 2 Community Colleges
  - 4 Rural Improvement Zones

The following chart depicts the amount of property tax dollars statewide that financed TIF from FY 1982 through FY 2012 (bars, left axis). The TIF finance total reached \$75.0 million by FY 1999, \$175.0 million by FY 2005, and \$275.0 million by FY 2011.

The green line (right axis) depicts the percent of all property taxes paid in the State that financed TIF. The graph shows that a significant change in the slope of the line started with FY 1994 and the increase was fairly consistent through FY 2009. In the following three years, the percentage of total property tax dollars dedicated to TIF has decreased somewhat.



<sup>3</sup> The FY 2012 TIF statistics are from the DOM property tax database and not from the TIF Reporting Project.

<sup>4</sup> There are a total of 472 local governments with TIF Taxing Districts in the DOM property tax database. However, 70 of those did not receive TIF revenue in FY 2012.

## APPENDIX B – Urban Renewal Reporting and Public Access Website Screen Shot 1



## APPENDIX B – Urban Renewal Reporting and Public Access Website Screen Shot 2

Click here for access to query tool to search and retrieve info for a single local government or for all local governments.

Click here to filter info alphabetically.

Click here to make comparisons of up to 4 Levy Authorities in Excel format.

Click on green triangle to view PDF copies of plans, maps, and ordinances.

Click here for PDF version of report submitted by local government.

County Reports	Levy Authority	LA Code	LA Report File
ADAIR COUNTY		01	TIF-01-2010_11-15-2012.pdf
ADAMS COUNTY		02	TIF-02-2010_11-27-2012.pdf
AUDUBON COUNTY		05	TIF-05-2010_11-16-2012.pdf
BENTON COUNTY		06	TIF-06-2010_11-30-2012.pdf
BOONE COUNTY		08	TIF-08-2010_01-14-2013.pdf
BREMER COUNTY		09	TIF-09-2010_11-27-2012.pdf
BUTLER COUNTY		12	TIF-12-2010_11-20-2012.pdf
CARROLL COUNTY		14	TIF-14-2010_12-03-2012.pdf
CASS COUNTY		15	TIF-15-2010_11-30-2012.pdf
CEDAR COUNTY		16	
CHEROKEE COUNTY		18	
CLAYTON COUNTY		22	
DALLAS COUNTY		25	
DICKINSON COUNTY		30	
DUBUQUE COUNTY		31	
FLOYD COUNTY		34	
FRANKLIN COUNTY		35	TIF-35-2010_11-20-2012.pdf
FREMONT COUNTY		36	
GRUNDY COUNTY		38	TIF-38-2010_11-30-2012.pdf
GUTHRIE COUNTY		39	TIF-39-2010_11-15-2012.pdf
HAMILTON COUNTY		40	TIF-40-2010_12-11-2012.pdf
HARDIN COUNTY		42	TIF-42-2010_12-06-2012.pdf
HARRISON COUNTY		43	TIF-43-2010_02-01-2013.pdf
HOWARD COUNTY		45	TIF-45-2010_11-19-2012.pdf
IDA COUNTY		47	TIF-47-2010_11-20-2012.pdf
IOWA COUNTY		48	TIF-48-2010_11-20-2012.pdf
JASPER COUNTY		50	
KOSSUTH COUNTY		55	
LYON COUNTY		60	TIF-60-2010_01-03-2013.pdf
MARSHALL COUNTY		64	
MILLS COUNTY		65	TIF-65-2010_01-11-2013.pdf
MITCHELL COUNTY		66	TIF-66-2010_11-20-2012.pdf
MONROE COUNTY		68	TIF-68-2010_12-21-2012.pdf
MUSCATINE COUNTY		70	TIF-70-2010_11-20-2012.pdf
O'BRIEN COUNTY		71	TIF-71-2010_11-30-2012.pdf
OSCEOLA COUNTY		72	TIF-72-2010_12-03-2012.pdf
PALO ALTO COUNTY		74	TIF-74-2010_11-19-2012.pdf
PLYMOUTH COUNTY		75	TIF-75-2010_12-18-2012.pdf
POLK COUNTY		77	TIF-77-2010_11-27-2012.pdf
POTTAWATTAMIE COUNTY		78	TIF-78-2010_12-20-2012.pdf
POWESHIEK COUNTY		79	TIF-79-2010_12-03-2012.pdf
SHELBY COUNTY		83	TIF-83-2010_12-04-2012.pdf
SIoux COUNTY		84	TIF-84-2010_11-19-2012.pdf
UNION COUNTY		88	TIF-88-2010_12-18-2012.pdf
WASHINGTON COUNTY		92	TIF-92-2010_12-03-2012.pdf
WEBSTER COUNTY		94	TIF-94-2010_11-30-2012.pdf
WINNEBAGO COUNTY		95	TIF-95-2010_11-26-2012.pdf
WORTH COUNTY		98	TIF-98-2010_11-30-2012.pdf
WRIGHT COUNTY		99	TIF-99-2010_11-21-2012.pdf

City Reports	Levy Authority	LA Code	LA Report File
ACKLEY		42G388	TIF-42G388-2010_01-08-2013.pdf
ADAIR		01G001	
ADEL		25G228	TIF-25G228-2010_11-30-2012.pdf
AINSWORTH		92G882	TIF-92G882-2010_12-05-2012.pdf
AKRON		75G692	TIF-75G692-2010_11-27-2012.pdf
ALBURNETT		57G537	TIF-57G537-2010_11-29-2012.pdf
ALDEN		42G389	TIF-42G389-2010_12-14-2012.pdf
ALGONA		55G517	TIF-55G517-2010_11-20-2012.pdf
ALLEMAN		77G712	
ALLISON		12G093	TIF-12G093-2010_11-16-2012.pdf
ALTA		11G084	TIF-11G084-2010_11-30-2012.pdf
ALTON		84G798	TIF-84G798-2010_11-25-2012.pdf

## APPENDIX C – Local Governments Without Approved Urban Renewal Reports

<b>Report Status as of January 28, 2013</b>	
Data Entered but Approved Repoort not Filed	
Levy Authority Name	Number of Urban Renewal Areas
ADAIR	1
BELLEVUE	1
BLUE GRASS	2
BREDA	1
DYERSVILLE	2
ELMA	1
FREMONT COUNTY	2
GILMORE CITY	2
HOLIDAY LAKE RURAL IMP. ZONE	1
KALONA	1
KELLOGG	1
LE MARS *	3
MAPLETON	2
MARSHALL COUNTY	2
MCCALLSBURG	1
MONTICELLO	2
NEWHALL	1
PULASKI	1
REDFIELD	3
REMSEN	3
RIVERSIDE	1
ROCKWELL	1
SHELLSBURG	1
STATE CENTER	3
VAN HORNE	1

<b>Report Status as of January 28, 2013</b>	
No Data Entered	
Levy Authority Name	Number of Urban Renewal Areas
ALLEMAN	1
BLAIRSTOWN	1
CAMBRIDGE	1
DONAHUE	1
ELKHART	1
FREDERICKSBURG	2
GLENWOOD	3
GOLDFIELD	1
HAMBURG	1
LACONA	2
LYNNVILLE	2
MAXWELL	1
MEDIAPOLIS	2
NEOLA	2
NORWAY	1
RED OAK	5
WEBSTER CITY	9

\* The city of Le Mars has a Joint Urban Renewal Area with Plymouth County that is requiring extra time to complete. The DOM is working with the city to get the report completed accurately.